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Report Highlights:

MY 2004 total tobacco production will likely decline in response to drought in flue cured planted areas and a reduction in burley cultivation areas. However, the consumption of tobacco is forecast to increase in anticipation of continued growing cigarette consumption. Also, export of Thai tobacco is expected to increase slightly, following strong demand for burley. In addition, import demand for foreign leaf will likely increase, in particular from the U.S., in response to the start of TTM's production of two new premium cigarette brands.

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Executive Summary

MY2004 tobacco production will likely decline due to unfavorable weather conditions for flue cured and a reduction in burley planted area. Also, the quality of flue cured is expected to be lower in response to drought, resulting in a contraction in prices. However, domestic consumption of tobacco is forecast to increase slightly, in spite of TTM's target of zero growth in cigarette production. Also, tobacco exports will likely increase slightly in line with burley exports. However, exports of flue cured are expected to decline further due to drought-reduced leaf quality. Meanwhile, tobacco imports are forecast to increase in response to the start in production of two new premium cigarette brands, which will mainly utilize imported U.S. tobacco leaf, despite the anticipated growth in consumption of TTM's Thai-tobacco-only blended cigarette.

MY 2004 demand for domestically produced cigarettes and imported cigarettes is forecast to continue to increase in line with the growing economy. TTM is expected to maintain its market share of about 80 percent of the total market. Meanwhile, the Ministry of Public Health (MOPH) continues its anti-smoking campaign, with recent approval of an anti-smoking pictorial warning on every pack of cigarettes sold in Thailand, to start early CY 2005.

1. Unmanufactured Tobacco

1.1 Production

MY 2004 (2003/04 harvested) tobacco production is estimated to decline slightly in response to unfavorable weather conditions for flue cured and a reduction in cultivated area of burley. The quota for tobacco production of Thailand Tobacco Monopoly (TTM) is virtually unchanged from the previous year.

	Area (Hectares)			Farm Sales Weight Production (Metric Ton)		
	2002	2003	2004 (fore.)	2002	2003	2004 (fore.)
Flue cured	16500	16000	16000	18000	17500	16700
Burley	15500	16500	16000	30000	32000	31000
Oriental	8500	7800	7500	5400	5000	5100
Dark Air Cur	950	n.s.	n.s.	380	n.s.	n.s.
TOTAL	41450	40300	39500	53780	54500	52800

1.1.1 Flue cured

MY 2004 flue cured production is forecast at 16,700 metric tons, down significantly from the previous year due to drought. Trade sources reported that the conversion ratio of fresh to dry weight is better than the previous year's ratio at 7-8 kg. of fresh to 1 kg. of dry weight, as compared to 9-10 kg. Nevertheless, the quality of tobacco is reportedly low due to the drought-triggered high proportion of scrap.

Regarding the promotion of burley cultivation to replace flue cured tobacco in the upper North in light of the declining demand for flue cured, trade sources reported that the field trial has produced unfavorable results due to an inappropriate environment for burley. Large flue curers are applying Good Agricultural Practice (GAP) techniques to their contract farming in order to improve their production efficiency. This practice resulted in a significant reduction in the use of seed from an average of 4 kg. to 1 kg. for a cultivated area of 1,000 rai.

1.1.2 Burley

MY 2004 burley production will likely decline to 31,000 metric tons in response to the reduction in area planted. Trade sources reported that farmers switched their burley planted area under exporters' contracting farming to other field crops, in particular corn, as they were uncertain about the exporters' promotion program. However, the average yield and quality reportedly remained high, as most cultivation of burley was not affected by the drought, as compared to that of flue cured. Nearly all burley is grown in Sukhothai and Phetchaboon provinces, accounting for about 54 percent and 41 percent of total burley production. Burley production covered about 60 percent of total tobacco production. Most growers are small-scale farmers, of which about 70 percent are TTM contract farmers. These growers usually produce dry burley leaves to fulfill their quota with TTM, and sell the rest of their production to exporters through local traders. Production consists of two main crops, early and late. The early crop is seeded in July - September and harvested in October - December, while the late crop is planted in November - January and harvested in February - April. The early crop production accounts only for about 10 -15 percent of total burley production, as cultivation is limited by more frequent flooding and plant diseases. As for the

late crop, trade sources reported that the cultivation in some areas has been limited by dry weather conditions.

1.1.3 Oriental

MY 2004 oriental production covers about 10 percent of total tobacco production and is forecast to increase slightly due to favorable weather conditions. The Adam Company is the sole buyer of oriental for export, has reduced its contracted areas in order to draw down the current high stock level.

1.2 Consumption

MY 2004 consumption of tobacco will likely increase slightly, despite the TTM's target of zero growth in cigarette production. Official sources expected that cigarette consumption would increase further this year in line with the economic expansion, in particular with the anticipated healthy farm incomes. The content of foreign leaf used by TTM is forecast to continue to decrease in response to the continued increase in sales of TTM's Thai-tobacco-only blended cigarettes at the expense of the original popular blended cigarettes, which contain both domestic and foreign tobacco. However, the proportion of each type of tobacco used for TTM's cigarette production in MY 2004 should remain unchanged, due to no significant changes in the production variety of different cigarette blends at around 47 percent for flue cured, 39 percent for burley, and 14 percent for oriental.

As for MY 2004 tobacco prices, the target prices paid for all types of tobacco by TTM remain unchanged from the previous year at around 66 baht/kg. for flue cured, 43 baht/kg. for burley, and 40 baht/kg. for oriental. However, the domestic market prices for all types of tobacco will likely continue to decline. Prices for flue cured are forecast to decline by about 25 percent to around 40 baht/kg due to the drought-triggered lower quality. Meanwhile, prices for burley will likely decline by 20 percent to around 30 baht/kg., in line with the downward pressure from export price competition from the relatively cheaper Indian and Chinese tobaccos.

1.3 Trade

MY 2004 tobacco exports are forecast to increase slightly in line with a continued increase in burley exports to the Russian market. Also, oriental exports are reportedly expected to increase slightly in anticipation of strong demand from the European countries. However, exports of flue cured are estimated to decline further due to drought-reduced leaf quality, which is reportedly a major constraint in maintaining market share amid the strong competition from relatively cheaper tobacco from India, China, and Bangladesh.

In MY 2003, tobacco exports are revised upward to 30,972 metric tons, following a significant increase in burley exports to East European countries and Russia which are reportedly major low-end markets. Burley exports to Egypt increased considerably to 6,837 metric tons, replacing the U.S. as the largest export market for Thai burley. Also, Egypt is the largest export market for total Thai tobacco exports, accounting for about 25 percent of total exports of Thai tobacco. Meanwhile, exports to the U.S. market, mostly burley, declined slightly. Exports to Russia continued to increase significantly to 3,439 metric tons (11 percent of total tobacco exports). Meanwhile, exports to the U.S. market, which used to be the largest market for Thai tobacco, in particular burley, declined slightly to 5,478 metric tons (18 percent of total tobacco exports).

In MY 2004, despite continued increase in domestic tobacco use for TTM's Thai-tobacco-only blended cigarettes, tobacco imports are forecast to increase in response to the start of

production of two new premium cigarette brands which will mainly use imported U.S. tobacco leaf as raw material. TTM is the sole importer and utilizes imported tobacco for cigarette blending in Thailand. Also, imported tobacco remains important in conventional cigarette production in which the U.S. leaves (both flue cured and burley) are the superior flavored types, which are used to blend with the locally produced semi-flavored types. In MY 2003, the U.S. remained as the largest supplier for both flue cured and burley, amounting to 827 and 876 metric tons, respectively, despite continued contraction in total tobacco imports. However, imports of burley from Brazil and Malaysia increased significantly at the expense of the U.S. leaf.

1.4 Policy

Tobacco imports have been subject to tariff rate quota (TRQ) system, following the WTO agreement. However, the applied import duty for tobacco for both in-quota and above-quota imports is 30 percent.

Statistic Tables

Table 1.1: Thailand's Production, Supply and Demand for Total Tobacco

PSD Table**Country Thailand****Commodity Tobacco, Unmfg., Total**

(HA)(MT)

	2002		2003		2004	
	Revised		Estimate		Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Area Planted	41450	41450	40300	40300	0	39500
Beginning Stocks	42042	42042	44493	44493	46673	40202
Farm Sales Weight Prod	53780	53780	54500	54500	0	52800
Dry Weight Production	47288	47288	47910	47910	0	46417
U.S. Leaf Imports	3451	3451	3050	1703	0	1720
Other Foreign Imports	1792	1792	1950	1958	0	1960
TOTAL Imports	5243	5243	5000	3661	0	3680
TOTAL SUPPLY	94573	94573	97403	96064	46673	90299
Exports	25910	25910	26580	30972	0	31400
Dom. Leaf Consumption	19520	19520	19600	20150	0	20850
U.S. Leaf Dom. Consum.	3350	3350	2900	3400	0	3610
Other Foreign Consump.	1300	1300	1650	1340	0	1300
TOTAL Dom. Consumption	24170	24170	24150	24890	0	25760
TOTAL Disappearance	50080	50080	50730	55862	0	57160
Ending Stocks	44493	44493	46673	40202	0	33139
TOTAL DISTRIBUTION	94573	94573	97403	96064	0	90299

Table 1.2: Thailand's Production, Supply and Demand for Flue Cured Tobacco

PSD Table**Country Thailand****Commodity Tobacco,Unmfg.,Flue Cured (HA)(MT)**

	2002		2003		2004	
	Revised		Estimate		Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Area Planted	16500	16500	16000	16000	0	16000
Beginning Stocks	20975	20975	21465	21465	21265	20631
Farm Sales Weight Prod	18000	18000	17500	17500	0	16700
Dry Weight Production	15840	15840	15400	15400	0	14700
U.S. Leaf Imports	1700	1700	1450	827	0	870
Other Foreign Imports	1360	1360	1450	795	0	830
TOTAL Imports	3060	3060	2900	1622	0	1700
TOTAL SUPPLY	39875	39875	39765	38487	21265	37031
Exports	7110	7110	7150	6076	0	5900
Dom. Leaf Consumption	8950	8950	9000	9330	0	9660
U.S. Leaf Dom. Consum.	1750	1750	1500	1810	0	1930
Other Foreign Consump.	600	600	850	640	0	610
TOTAL Dom. Consumption	11300	11300	11350	11780	0	12200
TOTAL Disappearance	18410	18410	18500	17856	0	18100
Ending Stocks	21465	21465	21265	20631	0	18931
TOTAL DISTRIBUTION	39875	39875	39765	38487	0	37031

Table 1.3: Thailand's Production, Supply and Demand for Burley Tobacco

PSD Table**Country Thailand****Commodity Tobacco, Unmfg., Burley**

(HA)(MT)

	2002		2003		2004	
	Revised		Estimate		Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Area Planted	15500	15500	16500	16500	0	16000
Beginning Stocks	14407	14407	17400	17400	21160	14959
Farm Sales Weight Prod	30000	30000	32000	32000	0	31000
Dry Weight Production	26400	26400	28160	28160	0	27280
U.S. Leaf Imports	1751	1751	1600	876	0	850
Other Foreign Imports	432	432	500	1163	0	1130
TOTAL Imports	2183	2183	2100	2039	0	1980
TOTAL SUPPLY	42990	42990	47660	47599	21160	44219
Exports	16170	16170	17000	22950	0	23500
Dom. Leaf Consumption	7120	7120	7300	7400	0	7660
U.S. Leaf Dom. Consum.	1600	1600	1400	1610	0	1680
Other Foreign Consump.	700	700	800	680	0	690
TOTAL Dom. Consumption	9420	9420	9500	9690	0	10030
TOTAL Disappearance	25590	25590	26500	32640	0	33530
Ending Stocks	17400	17400	21160	14959	0	10689
TOTAL DISTRIBUTION	42990	42990	47660	47599	0	44219

Table 1.4: Thailand's Production, Supply and Demand for Oriental Tobacco

PSD Table**Country Thailand****Commodity Tobacco, Unmfg., Oriental**

(HA)(MT)

	2002		2003		2004	
	Revised		Estimate		Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Area Planted	8500	8500	7800	7800	0	7500
Beginning Stocks	6630	6630	5588	5588	4208	4572
Farm Sales Weight Prod	5400	5400	5000	5000	0	5100
Dry Weight Production	4698	4698	4350	4350	0	4437
U.S. Leaf Imports	0	0	0	0	0	0
Other Foreign Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	11328	11328	9938	9938	4208	9009
Exports	2360	2360	2430	1946	0	2000
Dom. Leaf Consumption	3380	3380	3300	3420	0	3530
U.S. Leaf Dom. Consum.	0	0	0	0	0	0
Other Foreign Consump.	0	0	0	0	0	0
TOTAL Dom. Consumption	3380	3380	3300	3420	0	3530
TOTAL Disappearance	5740	5740	5730	5366	0	5530
Ending Stocks	5588	5588	4208	4572	0	3479
TOTAL DISTRIBUTION	11328	11328	9938	9938	0	9009

Table 1.5: Export Volumes and Values of Thailand's Total Tobacco

	2002 (Jan-Dec)		2003 (Jan-Dec)	
	M.T.	US\$ 1,000	M.T.	US\$ 1,000
1. U.S.A.	5,528	13,942	5,478	12,900
2. Australia	1,275	3,973	613	1,904
3. Belgium	3,945	9,137	2,536	5,773
4. Egypt	897	1,652	7,623	14,868
5. France	906	2,135	1,129	2,840
6. Germany	912	1,595	600	2,218
7. Japan	509	1,559	449	1,526
8. Malaysia	2,380	6,909	1,612	4,418
9. Netherlands	740	1,767	846	1,598
10. Russian Fed	3,000	2,953	3,554	3,991
11. Taiwan	235	710	18	45
12. U.K.	673	1,697	916	1,803
13. Philippines	1,563	5,027	1,157	3,800
14. Others	3,076	6,126	4,441	8,547
TOTAL	25,639	59,183	30,972	66,231

1/ US\$ 1.0 = 41.48 Baht

Source: Thai Custom Department

Table 1.6: Export Volumes and Values of Thailand's Flue Cured Tobacco

	2002 (Jan-Dec)		2003 (Jan-Dec)	
	M.T.	US\$ 1,000	M.T.	US\$ 1,000
1. U.S.A.	0	0	592	1,433
2. Australia	1,018	3,105	582	1,815
3. Belgium	1,819	3,715	833	1,799
4. France	71	87	36	39
5. Germany	363	933	541	1,532
6. Japan	259	1,041	259	1,078
7. Malaysia	644	1,388	523	1,242
8. Netherlands	119	315	59	168
9. Norway	278	628	290	821
10. Philippines	962	3,482	330	1,102
11. Taiwan	235	710	0	0
12. U.K.	280	864	38	120
13. Canada	317	1,014	244	860
14. Others	745	720	1,749	3,039
TOTAL	7,110	18,002	6,076	15,048

1/ US\$ 1.0 = 41.48 Baht

Source: Thai Custom Department

Table 1.7: Export Volumes and Values of Thailand's Burley Tobacco

	2002 (Jan-Dec)		2003 (Jan-Dec)	
	M.T.	US\$ 1,000	M.T.	US\$ 1,000
1. U.S.A.	5,528	13,942	4,887	11,466
2. Belgium	2,126	5,422	1,703	3,975
3. China	138	356	102	238
4. Egypt	0	0	6,837	13,537
5. France	835	2,048	1,093	2,801
6. Germany	548	662	59	686
7. Italy	307	485	180	160
8. Malaysia	661	1,677	581	1,610
9. Netherlands	622	1,452	787	1,430
10. Pakistan	0	0	147	158
11. Russian Fed	2,641	2,782	3,439	3,929
12. U.K.	393	833	879	1,683
13. Philippines	456	988	358	938
14. Others	1,915	3,948	1,898	3,694
TOTAL	16,170	34,594	22,950	46,305

1/ US\$ 1.0 = 41.48 Baht

Source: Thai Custom Department

Table 1.8: Thailand's Imports of Total Tobacco

Import Trade Matrix

Country Thailand

Commodity Tobacco, Unmfg., Total

Time Period Units:

Imports for: **2003**

U.S. U.S.

Others

Others

<input type="text" value="Brazil"/>	<input type="text" value="672"/>	<input type="text" value="Brazil"/>	<input type="text" value="902"/>
<input type="text" value="China"/>	<input type="text" value="1106"/>	<input type="text" value="China"/>	<input type="text" value="690"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Total for Others 1778 1592

Others not

Listed
Grand Total 5243 3661

Table 1.9: Thailand's Imports of Flue Cured Tobacco

Import Trade Matrix**Country** Thailand**Commodity** Tobacco,Unmfg.,Flue CuredTime Period Units:
Imports for: **2003**U.S. U.S.

Others Others

<input type="text" value="Brazil"/>	<input type="text" value="672"/>	<input type="text" value="Brazil"/>	<input type="text" value="288"/>
<input type="text" value="China"/>	<input type="text" value="691"/>	<input type="text" value="China"/>	<input type="text" value="422"/>

Total for Others 1363 710

Others not Listed

Grand Total 3061 1622

Table 1.10: Thailand's Imports of Burley Tobacco

Import Trade Matrix

Country Thailand

Commodity Tobacco, Unmfg., Burley

Time Period **Jan. - Dec.** Units: **Metric Ton**

Imports for: **2002** **2003**

U.S. **1751** U.S. **876**

Others Others

Brazil	0	Brazil	614
China	415	China	267
Malaysia	17	Malaysia	260

Total for Others 432 1141

Others not Listed **0** **22**

Grand Total 2183 2039

2. Manufactured Tobacco, Cigarettes

2.1 Production

MY 2004 cigarette production (including contraband cigarettes) will likely continue to increase in line with strong economic growth, in particular the anticipated growing farm income, amid the TTM's target of zero growth in cigarette production at 31,500 million pieces. In MY 2003, TTM's cigarette production totaled 31,907 million pieces, up 3.7 percent from the previous year. TTM recently started the construction of its new plant in Chiangmai, in the north of Thailand, with annual production capacity of 25,000 million pieces. This new plant will be equipped with modern machines and will start production in CY 2007. Meanwhile, another new factory will open in Saraburi, in the northeast of Thailand, in CY 2007, and will operate in CY 2008 with annual capacity of 10,000 million pieces. Moreover, in anticipation of strong competition from foreign cigarettes, TTM initiates a plan to launch two new premium cigarette brands, which are American and Virginia flavors, respectively, by the end of this year. These cigarettes are mainly made from imported U.S. tobacco leaves, as TTM has reportedly joined hands with U.S. tobacco growers. The prices will be at 50 baht/pack, as compared to around 55 baht/pack for foreign premium brands. Also, the TTM's Thai-tobacco-only blended cigarette, the Wonder brand, is reportedly successful in the domestic market. Its sales are second to the Krongtip brand, due to its competitive price and relatively good quality.

2.2 Consumption

MY 2004 cigarette consumption is forecast to continue to increase in line with the growing economy. Official sources expected strong demand in middle and low-end markets in response to anticipated increases in farm incomes. TTM's cigarettes are reportedly expected to hold the market share in the middle and low-end markets, which are the major market for TTM due to price advantages.

Retailed prices for all cigarettes remain unchanged. Prices for TTM's cigarettes vary in a wide range of 20-45 baht/pack (U.S. 51 cent/pack – U.S.\$ 1.1/pack). The Thailand's no.1 brand (Klongthip 90) sells at 35 baht/pack (roughly U.S. 0.89 cent/pack), as opposed to 37-38 baht/pack (roughly U.S. 0.94-0.96 cent/pack) for the competing foreign brands, like L&M and Moore. Meanwhile, the price for the Wonder brand is 25 baht/pack (roughly U.S. 0.63 cent/pack).

In MY 2003, the Excise Department estimate of domestic consumption was 38,080 million pieces, up 11 percent from the previous year, of which 5,860 million pieces were imported cigarettes, up significantly over the decade (240 million pieces in MY 1991). The average smoking rate per capita is around 10 pieces a day (10 pieces for men, and 7 pieces for ladies). In addition, about 25 percent of smokers smoke over 10 pieces a day. According to the latest official survey on smoking behavior in Thailand done by the National Statistics Office (NSO) in CY 2003, the number of smokers totaled 9.9 million persons, accounting for about 22 percent of total population aged 11 years of age and over. Smokers between 25-29 years of age played a dominant share of total smokers (25 percent), followed by 60 years of age and over (22 percent), and 15-24 years of age (15.2 percent). On average, smokers start to smoke at 18.4 years of age (18.2 years of age for men and 21.5 years of age of ladies). About 90 percent of smokers start to smoke before 25 years of age. Male smokers accounted for about 44 percent of the total male population, while only 2.9 percent of the female population were smokers, which increased significantly by 32 percent from CY 2001.

2.3 Trade

MY 2004 cigarettes imports will likely increase further from the previous year in line with the economic expansion. The market share of foreign cigarette brands is expected to be around 15-20 percent, dominated by U.S. brands. In MY 2003, imported cigarettes totaled 7,597 million pieces, up approximately 5 percent from the previous year. Most cigarettes are from Indonesia (46 percent of total imported cigarettes) and the Philippines (38 percent), as these countries are a production base for international brand manufacturing and enjoy a low tariff rate of 5% under the AFTA tariff schedule.

As for tobacco exports, TTM remains the sole exporter. Exports of Thai cigarettes are marginal, as compared to domestic sales. Trade sources reported that most export markets for Thai cigarettes are the countries where Thai expatriate workers are located. In CY 2003, cigarettes exports increased slightly. The Philippines, China, and Burma remained the major export markets.

2.4 Policy

2.4.1 Tariff and Other Taxes

The excise taxes on cigarettes remain unchanged at 75 percent since March 27, 2001. Also, the special tax for the Health Fund is unchanged at 2 percent of the excise tax. In addition to the excise taxes and the special taxes, importers must pay an import duty of 5-60 percent, varying by origin. For imports from non-ASEAN countries, the import tariff is 60 percent. For ASEAN countries, imports with local content of at least 40 percent of total cost, importers are able to enjoy lower import duties of 5 percent due to the AFTA tariff reduction schedule. In general, taxes accounts for about 85 percent of cigarette prices.

2.4.2 Non-Tariff Barriers

The Thai Custom Department continues to impose a 25-54 surcharge on imported cigarette brands for import duty valuation. It was first imposed in September 1999 when the authorities investigated possible under pricing declaration on CIF values by some importers. This resulted in an increase in the retail prices of imported cigarettes by 3-5 baht/pack (20 pieces) (roughly U.S. 0.08-0.13 cent/pack).

2.4.3 Quality, Safety, and Health

The Ministry of Public Health (MOPH) remains focused on smoking control. Enforcement emphasizes health warning on cigarette labels (occupying at least one-third of the space on a pack), a ban on cigarette advertisement, a prohibition on cigarette sales to young people (aged under 18 years), smoking prohibitions in public places, and the disclosure of cigarette ingredients sold in Thailand. Recently, MOPH approved a new anti-smoking warning in which all cigarette companies are required to print a pictorial warning on every pack of cigarettes sold in Thailand, starting in early CY 2005. There are six different pictorial warnings (with text), including: (1) Smoking causes premature ageing; (2) Tobacco smoke harms babies, (3) Smoking causes foul smell, (4) Smoking causes death from emphysema, (5) Tobacco smoke kills; and (6) Tobacco smoke causes lung cancer. These pictorial warnings are required to be printed on both sides of the cigarette packs, occupying at least 50 percent of the space on each pack.

Statistical Tables

Table 2.1: Thailand's Production, Supply and Demand for Cigarettes

PSD Table**Country Thailand****Commodity Tobacco, Mfg., Cigarettes**

(MIL PCS)

	2002		2003		2004	
	Revised		Estimate		Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Filter Production	30410	30410	30600	31700	0	32650
Non-Filter Production	300	300	300	300	0	300
TOTAL Production	30710	30710	30900	32000	0	32950
Imports	8000	8000	8100	8370	0	8620
TOTAL SUPPLY	38710	38710	39000	40370	0	41570
Exports	386	386	400	419	0	450
Domestic Consumption	38324	38324	38600	39951	0	41120
TOTAL DISTRIBUTION	38710	38710	39000	40370	0	41570

Note: Since 1998, FAS/Bangkok has included estimates of illegal cigarette figures, due to the significance of contraband cigarette production and smuggled cigarette imports in the domestic market.

Table 2.2: Thailand's Imports of Cigarettes

Import Trade Matrix**Country** Thailand**Commodity** Tobacco, Mfg.,
CigarettesTime Period **Jan. -
Dec.** Units: **Mil.
Pieces**Imports for: **2002** **2003**U.S. **113** U.S. **66**

Others Others

Indonesia	5503	Indonesia	3524
Malaysia	324	Malaysia	216
Philippines	404	Philippine s	2882
Singapore	348	Singapore	260
China	216	China	253
U.K.	103	U.K.	161

Total for Others 6898 7296

Others not Listed **363** **301**

Grand Total 7261 7597

Table 2.3: Thailand's Exports of Cigarettes

Export Trade Matrix**Country** Thailand**Commodity** Tobacco, Mfg.,
CigarettesTime Period Units: Exports for: **2003**U.S. U.S.

Others

Others

China	56	China	102
Taiwan	6	Taiwan	3
Denmark	25	Denmark	0
Cambodia	30	Cambodia	49
Laos	21	Laos	10
Burma	52	Burma	74
Malaysia	17	Malaysia	12
Singapore	4	Singapore	8
Philippines	69	Philippines	158
Vietnam	51	Vietnam	0

Total for Others 331 416

Others not Listed

Grand Total 386 419

End of Report.